

AR23

SUPERSCOPE, INC.
Makers of
quality
home
music
systems.



"The quality of sound is the single most important asset of an audio home entertainment company. That alone provides the ultimate determination of the success of its products."

—Joseph S. Tushinsky

Since 1957, Superscope, Inc. has devoted its resources, talents and energies to meeting the challenges offered by the constantly unfolding dimensions of growth within the audio home entertainment industry. Today, this industry—enlarged beyond the boldest expectations of its conception—has achieved a level of sophistication and worldwide acceptance which presages a future of virtually limitless opportunity.

In appreciation for both the personal and corporate fulfillment which our industry has made possible for us—and acknowledging the enormous prestige which underscores its position in the marketplace—we respectfully dedicate the new World Headquarters facility of Superscope, Inc. to the audio home entertainment industry, and to those within it who, over the years, have provided the substance for its continuing success.

The Tushinsky Brothers: Joseph, Irving, Nate and Fred



THE WORLD HEADQUARTERS OF SUPERSCOPE, INC.

Page 5: PROLOGUE: Beginnings Page 7: The start of a new era Page 9: The decision-makers Page 11: Designing to sell Page 13: Sales and marketing Page 15: Programmed for growth Pages 16-17: Floor Plan, Superscope World Headquarters Page 19: Machinery of growth Page 21: Storehouse of activity Page 23: The 13-1/2-acre machine Page 25: Serving the customer Page 27: The human factor Page 29: Superscope world Page 30: EPILOGUE: New horizons Page 31: Board of directors; Corporate offices, subsidiaries, divisions and affiliates.





The year was 1957. Hi-fi sound reproduction would soon burst into wide public demand. Two brothers named Tushinsky, sensing a dramatic new potential, changed the direction of their own company, Superscope, Inc., and built it eventually into one of the world's foremost names in audio home entertainment electronics.

Today Superscope, Inc. is the largest U.S.-based company in the audio industry—the worldwide manufacturer and distributor of Marantz stereo high fidelity components and of Superscope home entertainment products—and the sole U.S. distributor for certain Sony model tape recorders. In addition, the company has formed a new division—Imperial Sound—which will introduce a line of lower priced audio products, tape recorders and clock radios in early 1978, thus expanding Superscope's penetration of the worldwide hi-fi market.

The Superscope story began at RKO Studios in 1952. Joseph and Irving Tushinsky had developed a new wide screen process, a competitor of Cinemascope. "Studioscope" they called it. But RKO-owner Howard Hughes had a better name: "Superscope."

In 1954, the Tushinskys incorporated Superscope, independent of RKO, and started production of Superscope wide screen lenses. A screen debut with the United Artists Production Vera Cruz, starring Gary Cooper and Burt Lancaster, was followed by the hugely successful re-issue of Disney's Fantasia in Superscope. By the mid-fifties, Superscope was in demand by motion picture theatre owners throughout the U.S. and Europe, even earning a mention in a Cole Porter tune ("Stereophonic Sound", from the film Silk Stockings).

Then came 1957, the year it all changed. The Tushinskys went to Japan to introduce the Superscope wide screen process. While looking for condenser microphones for a home stereo system, they visited a fledgling Japanese electronics company named Sony. The Tushinskys, both long-time hi-fi hobbyists, quickly realized that Sony had more than microphones to offer: in a quonset-hut museum were seven stereo tape recorders, the first with built-

in amplifiers. The men of Superscope bought six of them "to see how they'd sell in the United States."

A few months later, Superscope contracted for exclusive rights to distribute Sony tape recorders in the U.S.

The partnership was ideal. The Tushinskys' understanding of the needs of the American marketplace, combined with Sony's design and manufacturing expertise, propelled both companies to prominence. But despite their mutual origins, they remained separate entities. Superscope continued to expand and grow independently.

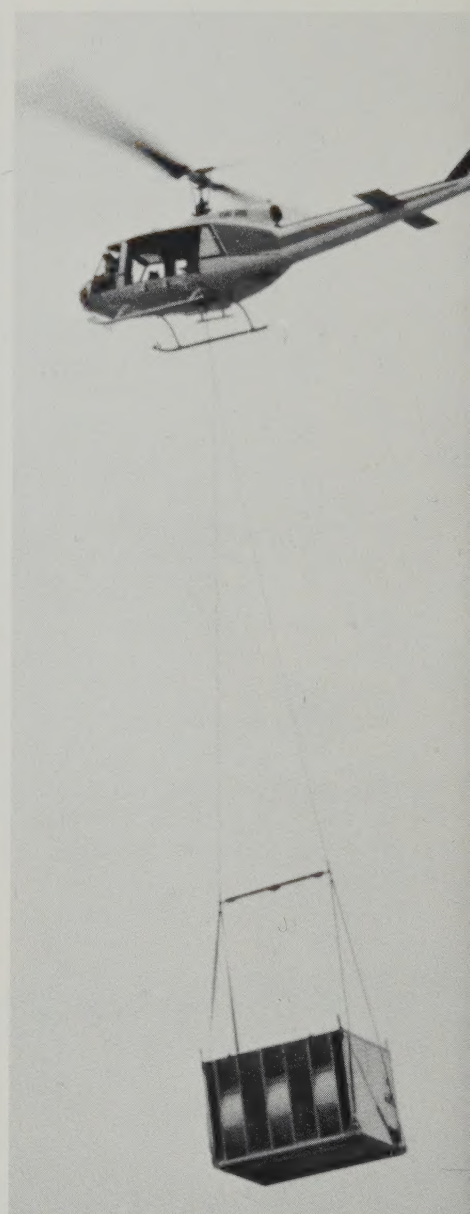
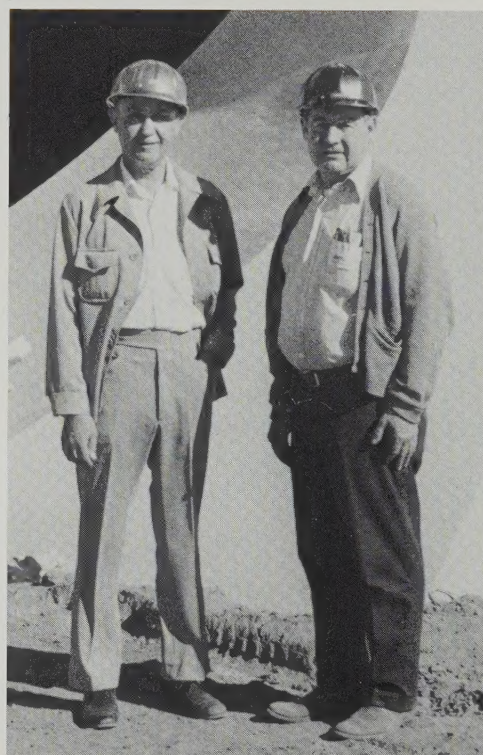
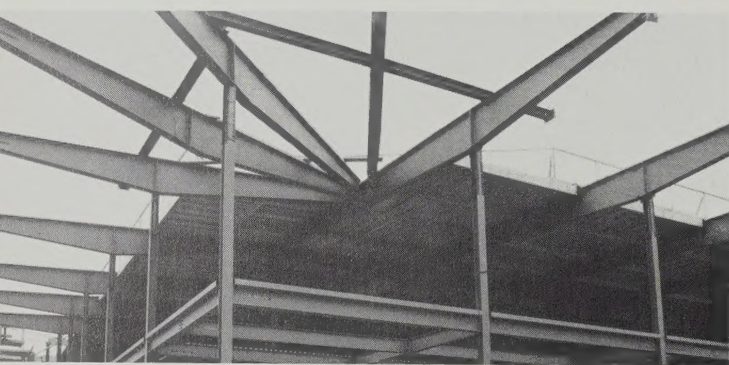
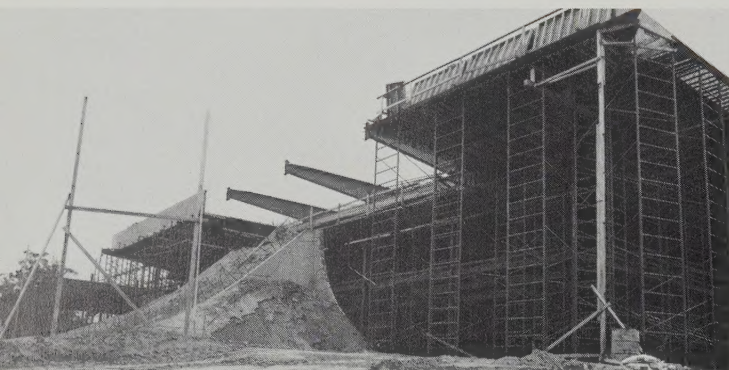
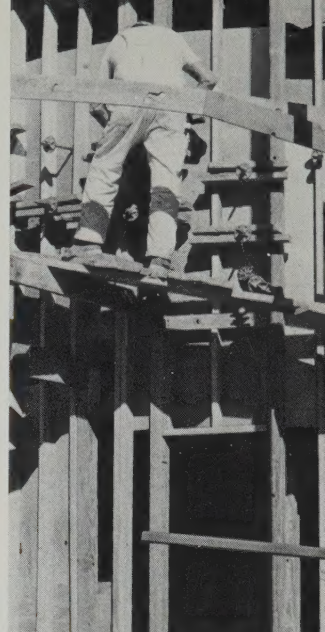
In 1964, Superscope acquired the Marantz Company, a small but prestigious manufacturer of high quality components designed and priced for the audiophile. Keeping Marantz standards intact, Superscope broadened the line into new product and price categories to satisfy a growing world market for quality sound reproduction.

In 1971, Superscope acquired a fifty percent interest in Standard Radio Corporation of Japan (now Marantz Japan, Inc.), a major manufacturer of audio and tape equipment. The sale marked the first time that a foreign company was allowed to hold fifty percent of a Japanese public corporation. But more importantly, it consolidated Superscope into a fully-integrated manufacturer and distributor. Superscope used Marantz Japan's manufacturing facilities and parts inventories to launch the Superscope product line of popularly-priced high fidelity and tape equipment.

What has gone before has been just a beginning. In 1977, Superscope set the stage for a future of increased progress and self-determination.

"Today Superscope expands not the horizons of the motion picture screen, but the horizons of human experience and felicity. As manufacturers of audio equipment, we have a special opportunity to serve as a conduit for the greatest musical artists of the world, past, present and future...to help communicate beauty, knowledge and aspiration across an ever-widening spectrum of life."





The start of a new era

You could lay out a dozen football fields on its roof and have room left for thirty tennis courts.

Stood on end, it would come within five floors of the top of the Empire State Building.

Its construction required 350,000 cubic yards of concrete.

More than eighteen miles of pipe are needed to service its air conditioning and sprinkler systems.

The boilers generate a total of 1-1/2 million BTU — enough to convert 1,250 tons of 32° ice into water in one hour.

Its main staircase "couldn't be built": a free-standing concrete spiral supported only at the top and bottom.

All told, there are 13.6 acres of usable floor space under its roof. When built, it was the largest completely air-conditioned building of its kind in Los Angeles County.

It is the World Headquarters of Superscope, Inc., hub of a worldwide manufacturing and distribution network that owns or controls production facilities and offices in Europe, the Far East, Australasia, South America and throughout North America.

In April 1976, for the first time in its 22-year history, Superscope concentrated all central operations into one single building, in Chatsworth, California. Here, commanding a thirty-acre site in Los Angeles's San Fernando Valley, are corporate offices, manufacturing and assembly and warehousing facilities that serve Superscope's own Marantz and Superscope product lines, and the Sony tape products distributed in the United States by Superscope.

"Now Superscope has a headquarters that accurately reflects our position as a leader of the international high fidelity industry. Our strong, independent identity finds expression."

Superscope World Headquarters is impressive, both in size and appearance. Yet it is mindful that a building, however dramatic, however enormous, can be no more valuable than the ideas and capabilities nurtured within its walls.

Superscope is a growing company. It now has the capacity to expand without further construction until passing an annual sales figure of \$500 million. Equally important, its advanced design, production and support facilities are equipped to intensify the high standards of quality and progress that Superscope's customers have come to expect.

"We have made sure that Superscope World Headquarters is more than a monument to past success. It is the gateway to a new era of increased productivity, efficiency and creativity."





Page 9

The decision-makers

One cannot speak of Superscope without focusing on the man who founded it, and who today sits as Chairman of the Board and President. "The story of Joseph Tushinsky," wrote Audio Times magazine, "is a story of opportunities he didn't miss. When things happened to him...he made them work to his advantage." The contract with Sony, the acquisition, first of Marantz, then of Standard Radio, the introduction of Superscope Products, the gradual, amicable phasing out of Sony distribution—all were shrewd ventures born out of vigilance, boldness and good fortune.

For Joseph Tushinsky, once a musician and light opera conductor and now a member of the Audio Hall of Fame, nothing takes the place of good sound. This is the precept on which Superscope operates, the axis upon which it spins.

"We helped create the demand for quality hi-fi products, and now we're its willing prisoner. That's as it should be. If we lose sight of quality and value, we lose our reason for being in business in the first place. The customer is demanding better and better sound, and if he can't get it from us, he'll go somewhere else."

Tushinsky's view is endorsed by his three brothers, who share with him the creation of Superscope, and the musician's ear for sound quality. Irving, Executive Vice President and Corporate Secretary, is in charge of engineering and quality control. Nate is Senior Vice President of production, and Fred, Senior Vice President of sales, marketing and product development.

Top level executives from all areas of the corporation meet regularly to chart short- and long-term policies that answer challenges facing the company.

"We are continually upgrading the scope of our financial planning—necessary to the financial health of a growth company." Superscope's chief

financial officer is supported by an executive staff that reflects the company's depth in all financial areas, the better to handle its expanding, increasingly complex worldwide operations. Together, these executives represent more than a century of financial management experience.

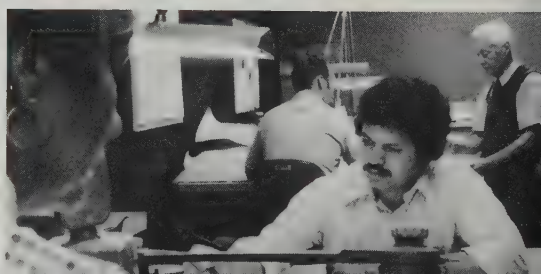
On the second floor of Superscope World Headquarters is an area called the Executive Core. Here are the offices of the decision makers, a conference room fully equipped with audio visual training equipment and an imposing board room. This is the brain and heart-beat of Superscope—a supercharged world of meetings, financial conferences, sales seminars, product planning sessions, advertising presentations, luncheons for representatives of the business, civic and financial communities.

The word "care" is symptomatic, for this is indeed the center—designed to be readily accessible to and by all departments and key employees. Sales, marketing, finance, advertising, engineering are no more than a few paces, a few seconds away.

The Executive Core is more than a nerve center. It is an image, in parquet and brushed copper, in fluted wooden walls, commissioned paintings and double-door elegance, of a company building its future on a solid foundation of success. A company that knows where it's going.

"An informed, involved management is vital. We achieve it by exposing a great number of individuals to the overall operation of Superscope—and of the audio industry itself. As a result, our executives are better able to make decisions affecting their own areas of responsibility, and they provide a broad base for setting the entire direction of the company."





At noon in Death Valley the stillness is as oppressive as the heat. It wraps around your ears, a shroud of silence that allows no hawk, no lizard, no rattle of arrowweed to distort the air. Even the wind rests.

If you stand still enough, you imagine you can hear the roar of great highways, of cities, remote beyond the purple heat-warped rim of the valley. But then you identify the roar: It is the sound of your own blood rushing through your ears. You cough and the sound seems as though it will travel on almost forever, with nothing but distant mirage-mountains to stop it.

This is a near-perfect environment for the design and testing of a speaker system. It has none of the reflecting surfaces that can color sound, none of the extraneous noise that can vitiate measurement.

At Superscope, this environment is duplicated in an anechoic chamber, a room designed to eliminate reverberation. The floor is a steel-cable grid suspended over an eight-foot pit. Walls, ceiling and the pit underfoot are covered in sharp-shouldered, yard-long wedges that point aggressively inward. These wedges made of fiber-glass absorb virtually all ambient noise.

Despite the proven merits of the anechoic chamber, only a handful of painstaking speaker manufacturers use them. At Superscope, this extra measure of care reflects the stringent design and evaluation policies followed for all Superscope and Marantz products.

Research and development and engineering for Marantz and Superscope products manufactured in the Far East are maintained at Marantz Japan, Inc. Communication between the engineers in Japan and the deci-

sion-makers in the United States is constant, augmented by periodic face-to-face meetings between Engineering and Product Planning.

Supplementing the overseas research and design programs are sophisticated development and evaluation facilities and personnel at Superscope World Headquarters.

Here, Product Design Engineering works with Product Planning and Marketing to develop the Marantz and Superscope products manufactured in the United States.

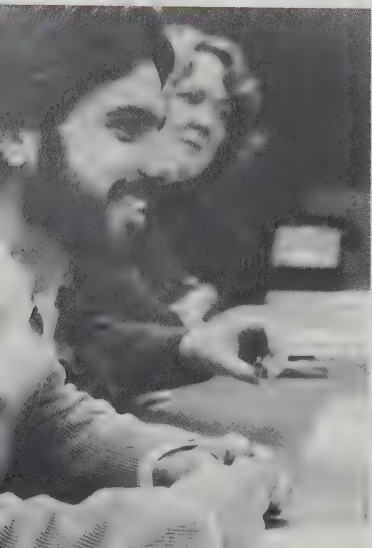
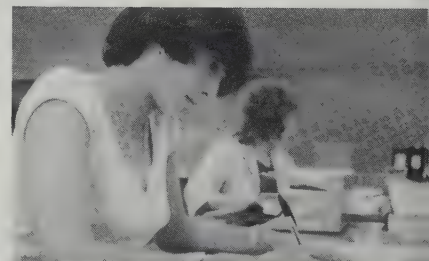
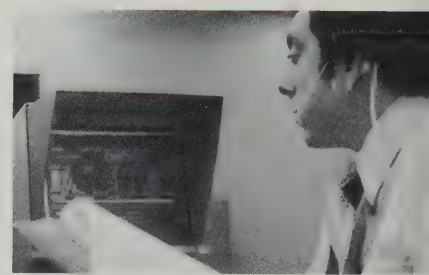
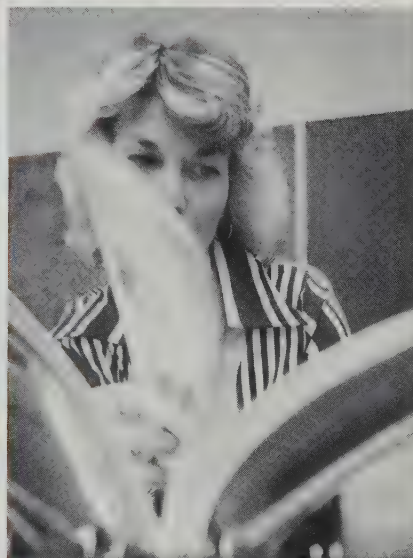
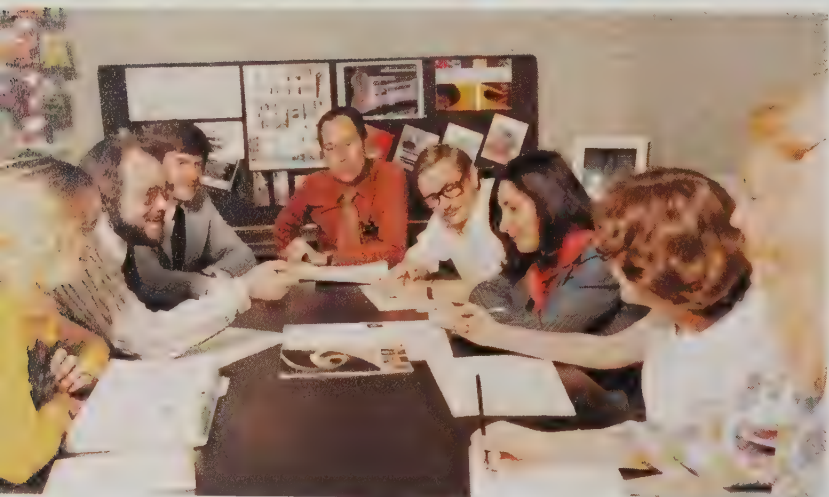
Here, Product Evaluation Engineering performs critical testing of both off-shore and domestically manufactured products.

"Superscope has, in its product development, engineering and manufacturing, historically concentrated on continually improving sound quality. Our future is predicated upon meeting the broadening demand of our customers for the best audio systems that can be created.

"The implicit challenge is thrilling. To give the reproduction of music new dimensions of quality is to give the quality of human experience new horizons of satisfaction."

"We say in our advertising that Superscope products are made by the people who make Marantz. And that's absolutely true. The development and evaluation engineers who work on Marantz also work on Superscope. They apply many of the same design concepts, and all of the same high standards, to the popularly-priced Superscope line."





We never move far from our beginnings. Physiologists know that the salt-water of primal seas still courses through the human system. Without the salt of our origins, our blood's lifeblood, we stop.

So it is with a corporation. Superscope entered the fledgling hi-fi industry as a distributor. Its success was built on an outstanding ability to market the high quality, but unproven, tape recorders of a Japanese manufacturer at a time when "made in Japan" had a completely negative connotation.

"Today we're much, much more than a distributor, of course, but as we continue to grow, it's vital to remember the origin of our success. That's where the key to our future is."

The lifeblood of Superscope, Inc. is sales.

The beginning was a sales staff that numbered two, armed with dime-store order books and a firm policy of cash on delivery. Now a worldwide network of subsidiaries and representatives sells Superscope's products throughout the United States and in every country of the free world.

The key to sales is communication. And the key to communication is the telephone. Face-to-face rapport is still important. But it's not enough. Sales personnel at Superscope World Headquarters operate from what is essentially a sophisticated communications center. Direct WATS telephone lines keep them in touch with dealers and sales personnel in every region of the United States on a regular basis. Superscope's branch offices, distributors and dealerships can receive information on product, competition and sales programs in a matter of minutes.

Vital to sales is Superscope's strong Product Marketing support, a liaison between the demands of the marketplace and the technology of the designers and engineers. Product Marketing provides training programs for Superscope sales representatives, competitive and market research,

merchandising programs and information and assistance for Superscope's advertising campaigns.

All of Superscope's United States advertising is created in-house by two highly-professional advertising departments. Creative Services produces brochures, catalogs, specification sheets, exhibit booths and point-of-purchase displays.

National print, television and radio advertising is created by Sanford and Charles, Inc., a wholly-owned subsidiary of Superscope.

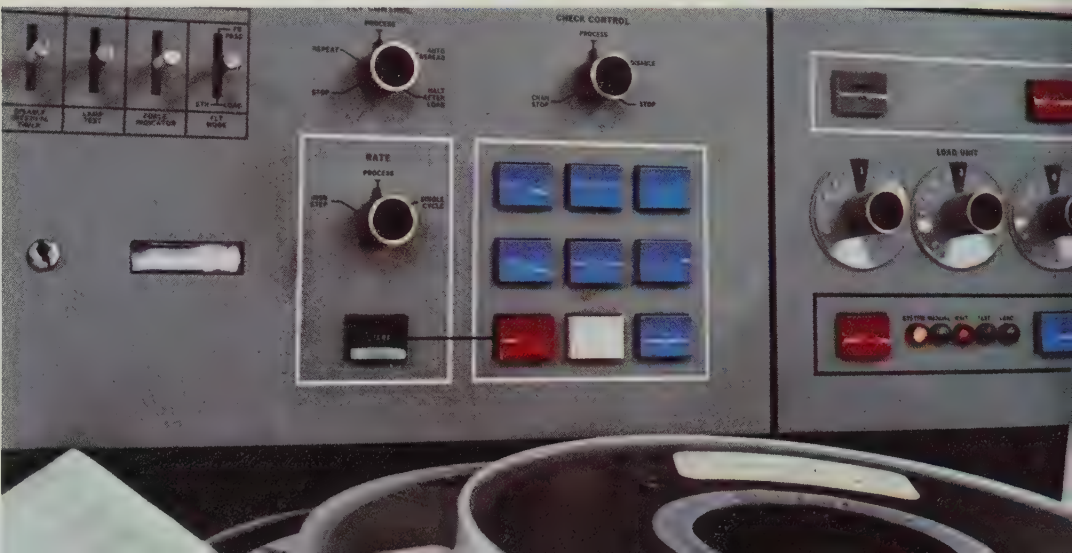
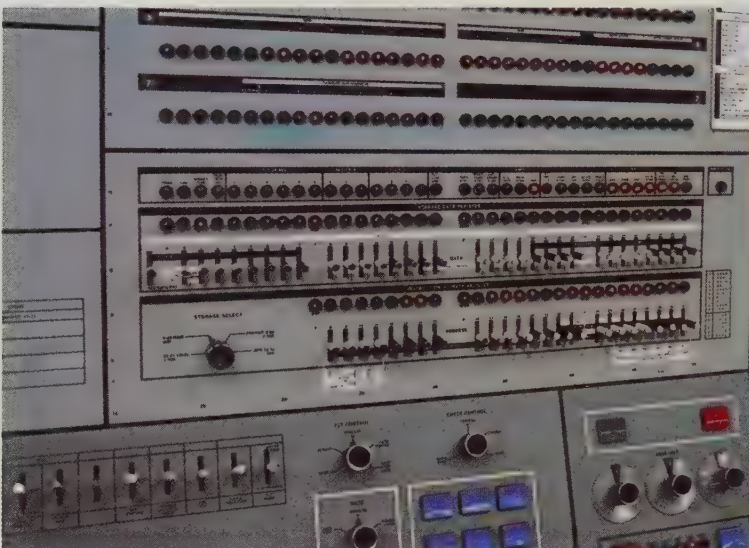
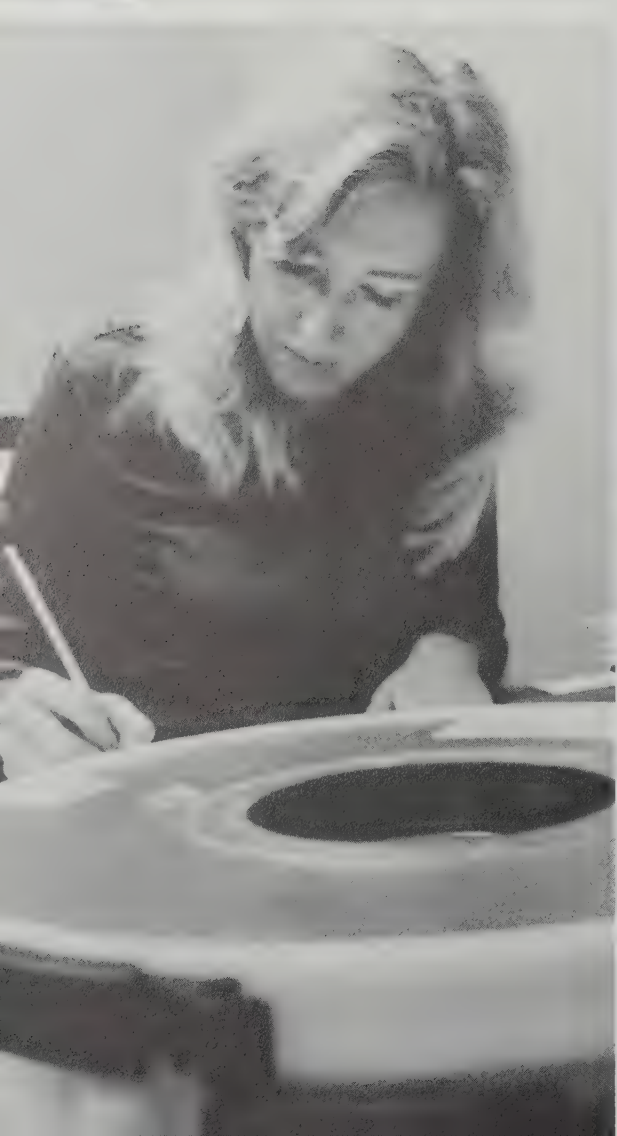
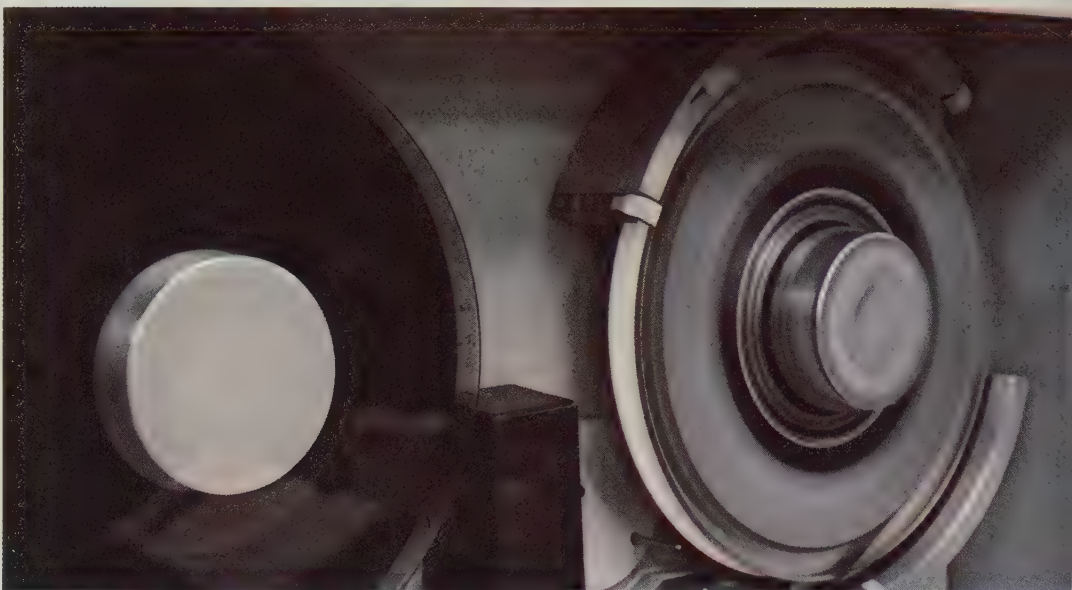
Public relations, too, is handled completely in-house by a Corporate Communications department that works closely with the trade and general press and financial community.

"We've taken steps to make Superscope a vertically integrated company. In the manufacturing end, we control or own substantial interest in all our own sources of supply so we're never at the mercy of another company's shortages or other problems. That goes for advertising and PR too. And in-house agencies can work far more closely with marketing and sales, giving us a more positive, coordinated and unified front to the market."

In communication, agreement on the message is an ideal. Superscope makes sure it's a fact.

"The quality of our products and the ingenuity of our marketing strategy would be for naught if it were not for the aggressiveness of those who take our Marantz and Superscope lines to the marketplace... and translate all of these planning and production assets into sales—and ultimately, profits—for the company."





After two decades of living with computers, human beings still regard them with an uneasy mixture of fascination and fear. They are the ultimate expression of automation. They threaten our jobs as no unthinking machinery can. Or so we believe.

"Many people are still convinced that when computers come in the door, jobs fly out the window. Not so. Computers have not only enabled us to act faster, with a solid basis in fact, they've also freed us from time- and manpower-consuming details to expand into new areas. And that means more jobs and more profit potential."

When you think of the computer as a liberator as well as a fast handler of facts, then the extent of data processing activity becomes a significant indication of a corporation's dynamism. A list of Superscope departments and functions served by data processing reads like the company telephone directory: Accounts Payable, Accounts Receivable, Billing/Invoicing, Budgets, Co-op, Costing, Direct Labor/Efficiency, General Ledger, Inventory Control, Order Control, Parts and Service, Payroll, Purchasing, Quality Control, Sales, Warranty Claims, and on and on.

The reports required by this demanding workload—137 each day, 57 weekly, 136 monthly and numerous others at regular intervals and on request—keep Data Processing active three shifts daily, plus one on Saturday.

The value of data processing lies not in its intense activity, however, but in its efficiency and its responsiveness to the needs of the company. Today, Superscope's corporate offices are virtually held together by the coaxial cable linking more than two dozen on-line computer terminals. National parts and service, credit, collections and sales, among other departments, connect directly into the computer, which can provide facts and record transactions almost instantaneously. In the case of national parts, this can mean same-day shipment to Superscope dealers, distributors and service stations. In the case of finished goods, it means fast, efficient and accurate handling of such functions as order entry, inventory allocation, credit check-

ing and application of cash. In both cases, it means most of the paperwork is done by computer.

The work of expanding, refining and simplifying operations goes unceasingly on, from extending on-line entry capabilities to developing totally new computer applications.

In any world of change, specifics can be out of date almost before they're put on paper. As this publication went to press, Superscope was expecting delivery of a new computer data processing system boasting nearly double the previous memory capacity. Disc storage capacity will increase almost 75 percent, supplemented by expansion from four to six tape-handling devices. The old system customarily ran three operations simultaneously; the new one will routinely handle five, with the potential theoretically unlimited.

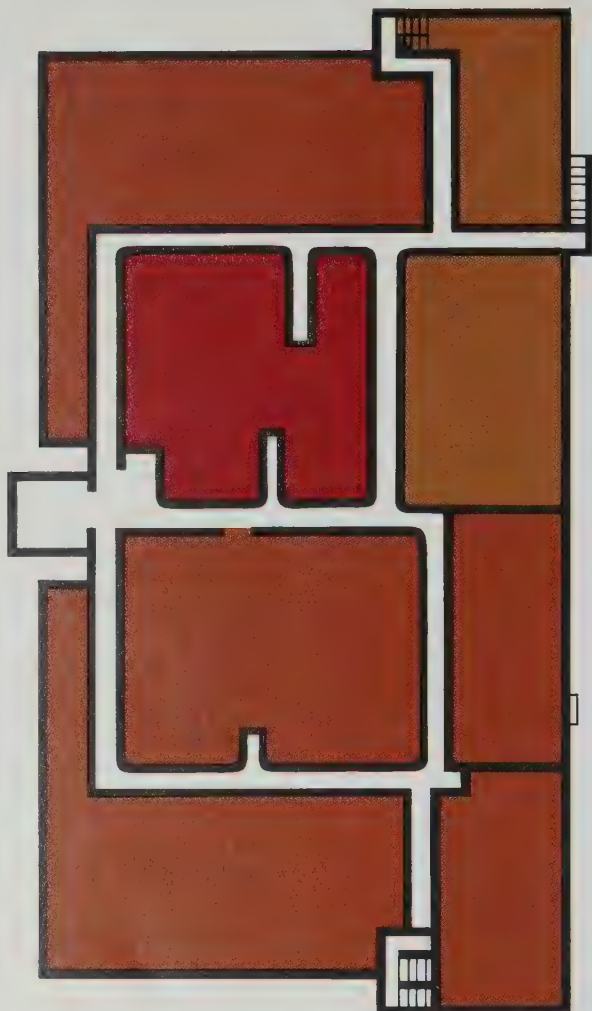
The computer room at Superscope World Headquarters is a stronghold of data-protection devices: special air conditioning, tape storage vault and an extra-sensitive fire warning system that combats flames with a computer-safe gas instead of water. Three generations of every program are stored for safekeeping in separate locations—one of them off-premises.

The time is long gone when a company could survive on inspiration alone. Superscope, Inc. runs on facts. With data processing, it gets those facts, as fast as it needs them, plus a vital side benefit: the freedom to seek an unlimited potential.

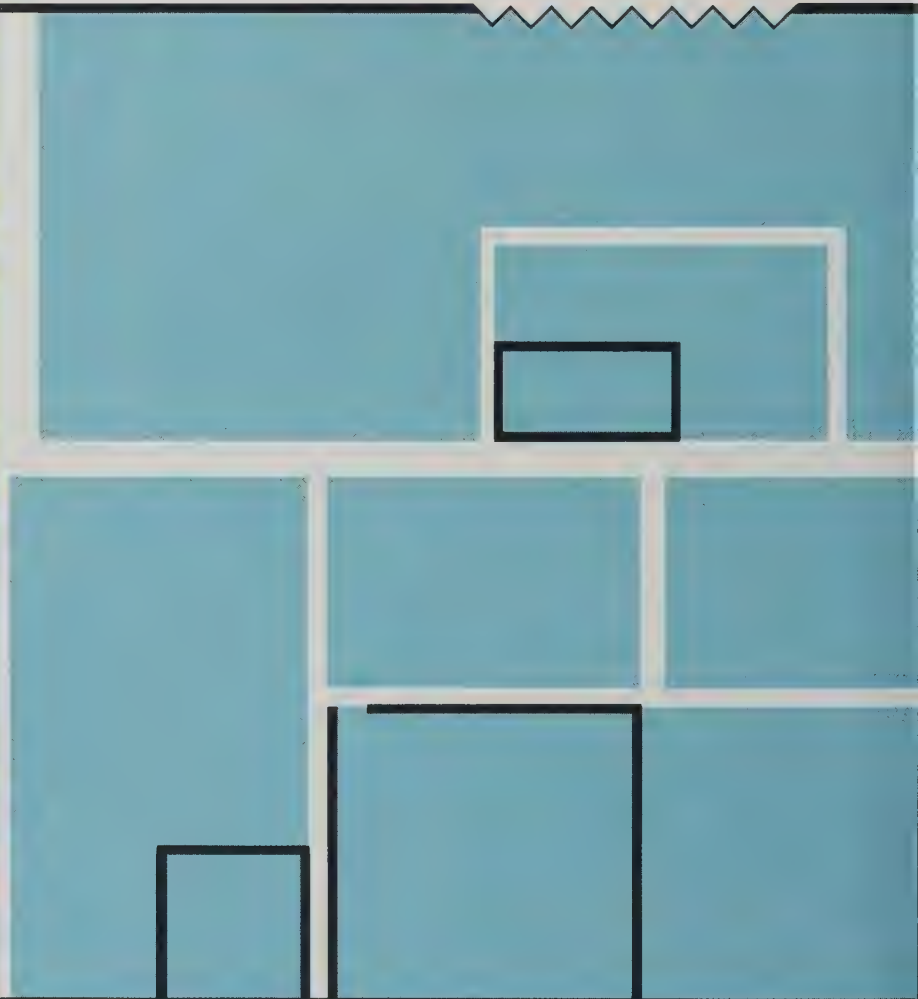
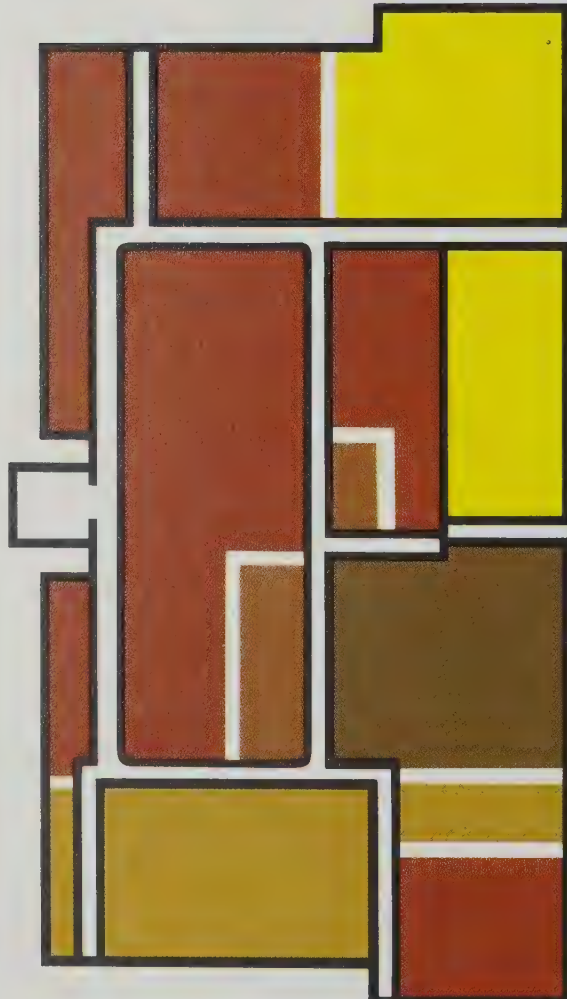
Superscope's ever-changing data processing center produces an average of a report a minute each and every minute of up-time. "Without Data Processing, we'd have to severely limit our growth, or we'd get bogged down in a veritable jungle of detail and paperwork. Most important, Data Processing gives us the control and flexibility vital to operations in the international marketplace."



Pages 16 & 17
FLOOR PLAN:
Superscope World Headquarters



- EXECUTIVE CORE
- ADMINISTRATION
- ENGINEERING
- DATA PROCESSING
- CUSTOMER SERVICE
- EMPLOYEE CAFETERIA
- MANUFACTURING (includes supplies storage, Product Testing and QC)
- PLANT FACILITIES
- SHIPPING
- CONVEYER SYSTEM
- FINISHED GOODS WAREHOUSING





TS WAREHOUSING

DED WAREHOUSING

OMING SHIPMENTS
ALITY CONTROL

SHED GOODS RECEIVING





"Superscope has successfully made the transition from Sony distributor to a company in control of its own destiny." The key to that assessment, which appeared in *Financial World* in January 1976, is the phrase "in control."

Superscope, Inc. has steadily reinforced its position as a vertically integrated manufacturer, controlling or holding substantial ownership interests in its sources of finished product and parts for Marantz and Superscope product lines. On-going efforts are made by Manufacturing to seek out contingency sources of raw materials and supplies that meet the company's standards of quality, capability and price.

Since moving into its new World Headquarters, Superscope has increased its capacity for self-determination.

Here are 4-1/2 acres of manufacturing facilities, incorporating electronics assembly lines sophisticated enough to produce the Marantz A-line of professional amplifiers and preamplifiers.

On other lines, the subassemblies of Superscope stereo music systems are interconnected, tested and packaged for distribution.

Especially significant are the speaker manufacturing facilities, which feature a complete wood mill, finishing area and assembly lines using machinery designed by Superscope for high efficiency. They make Superscope one of the very few manufacturers capable of building its speakers 100 percent in-house—including cabinets, electronics and, when the need arises, transducers.

The audio electronics industry progresses so rapidly that a manufacturer must plan for a high degree of flexibility. Superscope's assembly lines are semiportable, making them readily adaptable to new procedures and products, and easily expandable to meet increased market demands.

Manufacturing equipment is selected on the basis of versatility. Most assembly, however, is done by hand—still the most adaptable piece of machinery ever created, particularly for high quality audio products.

Coincidental with the move into its World Headquarters, Superscope inaugurated one of the most comprehensive and rigorous quality control programs in the industry. Products manufactured here are checked for both performance and cosmetic quality—first by Product Testing as a function of assembly, then by Quality Control, operating as an independent monitoring agent.

Approximately ten percent of all products undergo further examination: a "customer test" of packaged units chosen at random. Other stock items are "life tested" in procedures simulating up to a year's normal use.

Incoming raw material, checked according to an industry-standard formal sampling plan, must meet Superscope's Accepted Quality Level, or is rejected. Incoming product from Superscope's off-shore suppliers must also meet a stringent quality level. Repairs of defective units are made on the premises to minimize interruptions in product flow.

The manufacturing managers at World Headquarters also help establish the Quality Control programs of Superscope's worldwide subsidiaries, and then monitor the results.

Vertical integration, flexibility, quality control. These are the machinery of Superscope's growth, the tools with which it controls its destiny.

"Our policy is: If it's beneficial to us to manufacture it ourselves, we do. If it's more productive or economical to get it from outside suppliers, and there's no sacrifice in quality or control, then we do that.

"None of the major components we buy are off-the-shelf items. We develop our suppliers to meet our standards, manufacture to our specifications. And we don't hesitate to send something back if it doesn't measure up."





A storehouse of activity

"Warehousing" is a word without magic. It usually conjures up images of cartons stacked floor to ceiling, a city of deserted alleyways and cardboard skyscrapers. Necessary, yes, but too dull to hold interest.

A half day spent in the warehousing facility at Superscope's World Headquarters should dispel that belief; here is much of the subtle "magic" that makes Superscope thrive. Not merely a holding room, it is an active arena designed for the same qualities of flexibility, comprehensiveness and efficiency that Superscope demands in its other operations.

The size alone is impressive: a quarter-million square feet of shipping, receiving and storage space, bisected by a lift truck "freeway" wide enough to accommodate a pair of moving vans side by side. And beyond the outside north wall there's room to expand.

Before moving into its World Headquarters, Superscope, Inc. had grown beyond the capabilities of its own warehousing. "We'd had to expand into three public warehouses. Now, with our more spacious facilities, we've cut rental and drayage costs—and dramatically stepped up efficiency."

Efficiency. It's the one most important characteristic of a warehousing facility. At Superscope, efficiency means an on-premises United States Government bonded warehouse—almost unique in industry. It means a U.S. Customs Warehouse Officer is permanently assigned to that bonded warehouse to expedite handling of the tremendous traffic of finished goods brought in from overseas. It means easy accessibility to and by common carriers through 27 truck loading ramps and seven railroad loading doors. It means a constant effort to streamline receiving and shipping operations through consolidation and computerization.

Most of all, efficiency means fast, economical, error-free handling of customer orders in shipping and receiving, while at the same time

maintaining stringent quality control.

In Superscope's receiving department, incoming shipping containers that hold between 500 and 700 cartons of products can be emptied and stored on pallets by a crew of five men and two forklift operators, in 20 to 25 minutes.

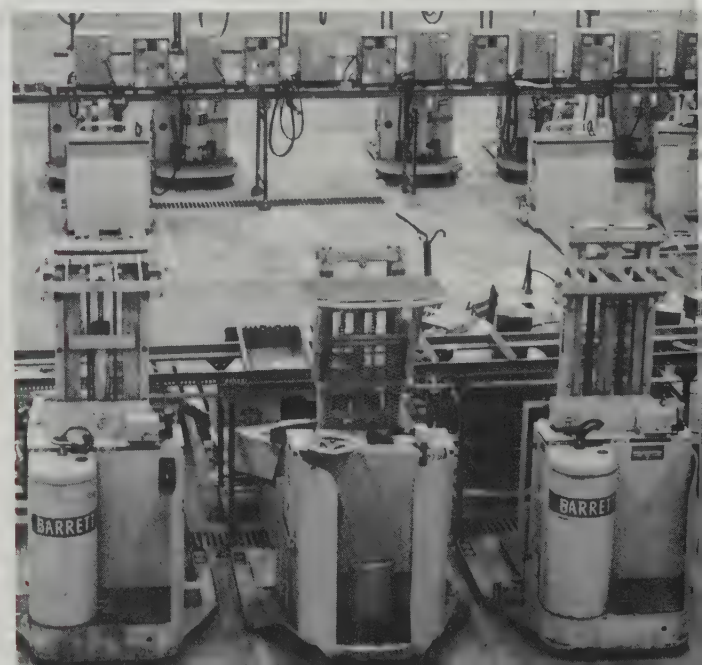
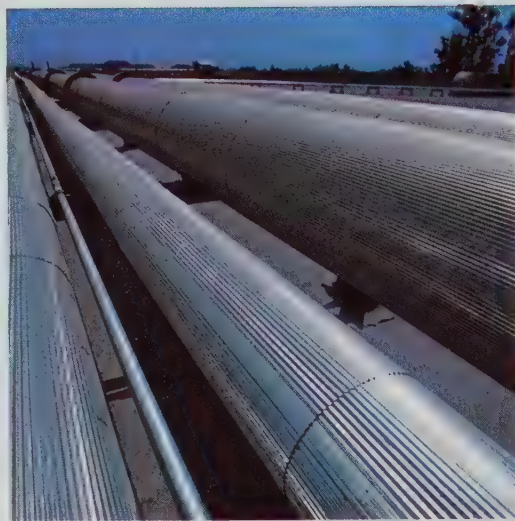
Products are then placed in a holding area pending quality control. Only after a shipment passes demanding tests is it released to customers.

The shipping department incorporates one of the most advanced conveyor systems ever developed. Utilizing sophisticated coding and switching electronics, it delivers items from stock to any of eight conveyor "fingers" adjacent to the loading docks with a high degree of automation and accuracy. Despite the surface resemblance to a giant three-dimensional model railroad layout, the system is in fact a highly efficient mechanical computer, through which a crew of 21 can handle \$1,000,000 worth of orders in one eight-hour shift.

In the final analysis, such capabilities have little to do with magic; Superscope's future is built on stronger stuff. What impresses one about this 5.3-acre warehousing facility is its continuing reliability. It has all the precision and efficiency of a well-designed machine.

"The bottom line of growth potential is product delivery. We learned long ago that to achieve our sales goals, we'd have to have an unrestricted shipping capability. At our new World Headquarters, Superscope can ship \$1,000,000 a day during just one shift. We can also operate two more shifts when the need arises. We have still retained considerable expansion room, and effectively removed a crucial limitation to continuing Superscope growth."





Page 23

The 13-1/2-acre machine

Sales figures are one measure of a corporation. Another is the actual building in which it carries out its business.

The World Headquarters of Superscope, Inc. is a complex, highly efficient machine, comprised of hundreds of thousands of moving parts and mile after mile of wiring and conduit. To ensure that the machine run smoothly and with minimal down-time, Superscope employs four full-time electricians and carries its own C-10 electrical contractor's license. Two full-time mechanics attend the crucial conveyor system and the fleet of fifty electrical fork and lift trucks. Another five mechanics provide general machine and building repairs. The building's 600,000 square feet of floor space are maintained by a janitorial staff of fourteen.

Responsible planning and built-in adaptability keep energy consumption to a minimum. The building is totally air conditioned, including warehousing and manufacturing facilities—an important benefit for employees and delicate components alike. By using a VAV (Variable Air Volume) air conditioning system with chillers, Superscope ensures highly efficient energy use.

Air conditioners, heating system, all plant and exterior lighting, exhaust fans, even the hot water supply to the restrooms, are regulated by a central control, clocks or a combination of both, to shut down during off-hours.

The entire roof is insulated and covered with reflective material to increase the efficiency of the heating and air conditioning systems.

Programs are on-going to explore alternate sources of energy—from on-premises butane supply and conversion equipment, to solar energy collectors. Also under consideration is computer-controlled load-shedding,

which can help maintain production even during energy supply shortages.

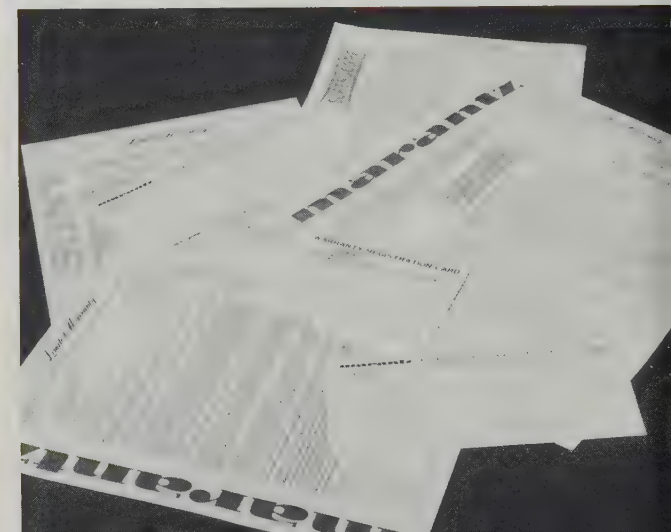
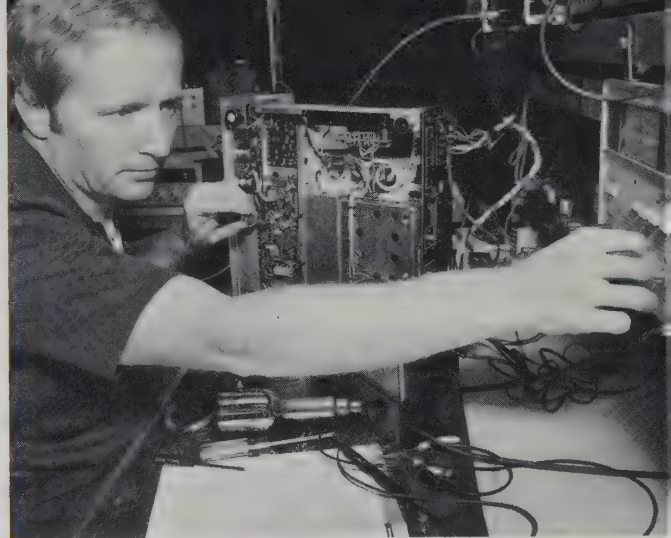
A total of 77 doors are built into the building's nearly mile-long perimeter. These doors, as well as all ground floor windows, are alarmed and connected to an enunciator panel that indicates not only when, but where, the alarm circuit has been broken. The panel is also keyed to the fire alarm system to sense the location of sprinkler action. It's backed up by a second fire alarm enunciator panel off-premises.

The entire building has fire sprinkler coverage, which even extends down into the warehouse racks, where a normal system couldn't reach, as well as inside the sawdust collector connected to the wood mill. A company-owned and maintained 300,000 gallon water tank, in concert with pumps that keep water pressure at a minimum 120 psi, makes the fire protection system virtually independent of city water supplies.

These and many other nuts-and-bolts characteristics of Superscope's corporate headquarters give a valid picture of the company's size, capabilities and efficiency. But it is a changing picture, for Superscope World Headquarters was built on a foundation of growth. Constant effort is made to seek out and implement new systems that better serve the company's shareholders, employees and consumer community.

"It seems obvious, but it's true nonetheless: Without the building, there could be no product, no jobs, no Superscope. The systems we've implemented—fire protection, telephone, security, maintenance, air conditioning, all of them—are the most up-to-date and efficient we can find. And we're constantly looking for ways to improve them, ways that provide even better protection for our employees and facilities, and that further our capacity for self-reliance."





Serving the customer

Talking about quality is easy. But a buying public, well conditioned to false promises, knows quality is not measured in words. Superscope, for its part, knows that a prime requisite of success is the acceptance of its products by increasingly wary and sophisticated customers.

In less than a generation, Superscope, Inc. has expanded from a distributor of tape recorders, limited to the United States, into a worldwide manufacturer and distributor of virtually every type of audio home entertainment product.

The prestigious Marantz line, long one of the world's most respected names in high fidelity receivers and components, has achieved success in every product category it has introduced. Marantz is now also a major force in cassette decks, turntables and speaker systems.

The Superscope line of popularly-priced products has achieved worldwide acceptance, even though introduced as recently as 1972. Today the Superscope line encompasses portable cassette tape recorders, radio/recorder combinations and car cassette players; cassette and 8-track decks; receivers, components, speakers and stereo music systems; and the Aircommand line of CB products.

Superscope's proprietary Marantz and Superscope product lines have been responsible for continuing increases in total corporate sales. The third line, Sony, has played a steadily smaller role in Superscope's growing sales picture since 1973. That year, Superscope contracted with Sony for a graduated, seven-year phaseout of Superscope's rights to distribute Sony tape recorders in the United States.

"The Sony/Superscope success story is well documented. It has provided great impetus to the sensational expansion of both companies. But today neither depends on the other for success. Superscope is no longer interested in products that we can distribute only in the U.S. Our worldwide market is enormous and our advertising dollar must take advantage of its potential. International sales of Superscope tape recorders, combined with the tremendous success of Marantz

tape recorders, provide infinitely greater promise than the sales of Sony tape recorders limited to U.S. distribution."

A vital key to product acceptance is buyer confidence, both before and after the sale. The goodwill created by Superscope's effective, well-run service departments is worth several times the cost of operation.

Superscope's service network includes parts and service facilities at corporate headquarters, seven branch service departments around the country, an on-going technician training program—plus Warranty Administration and a Technical Services arm that numbers among its duties the establishment and supervision of independent franchised service stations nationwide.

As with any operation whose business is service, a premium is put on speed. "The number-one customer complaint is delay, so we're constantly developing methods to provide faster service, and improve efficiency and economy as well." In large degree, that means computerization. "We can, and do, ship replacement parts to a branch within 72 hours of receiving the order—an industry record. We closely control the level and composition of inventory to minimize backorders. And we've saved untold man-hours, cut paperwork and heightened accuracy."

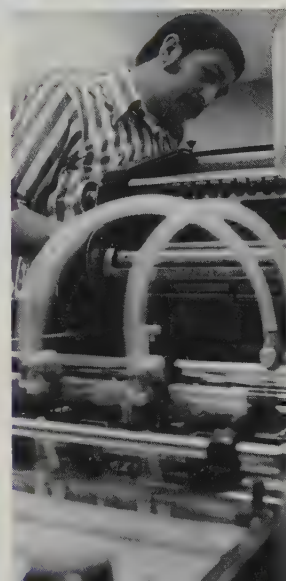
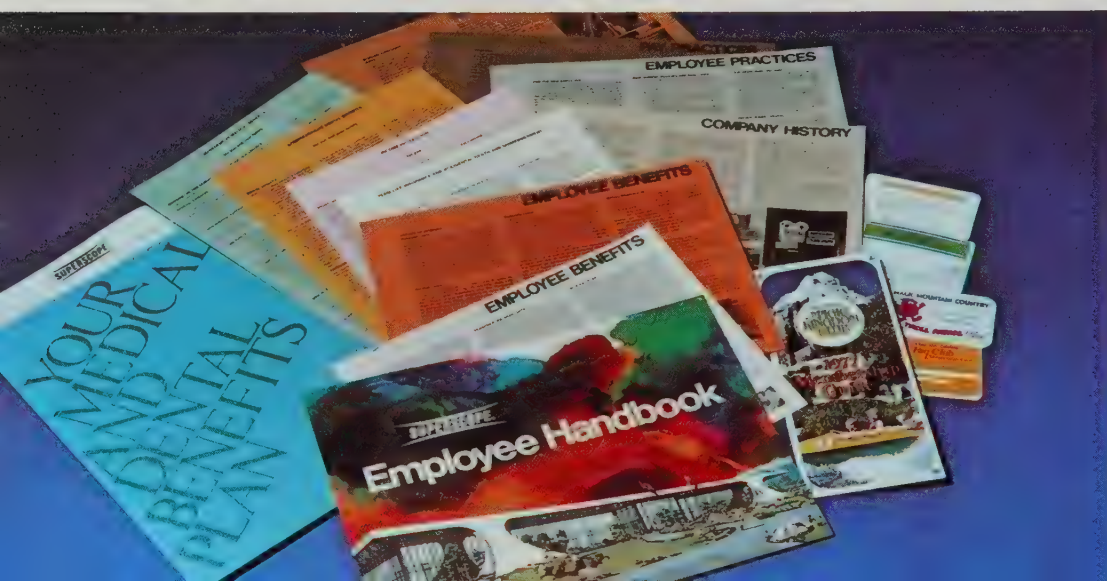
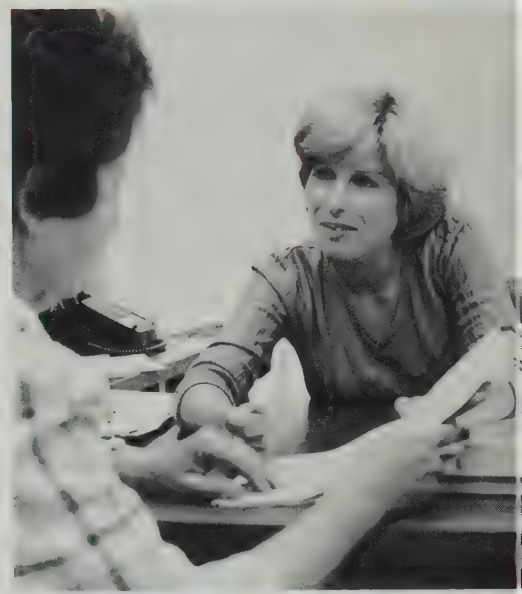
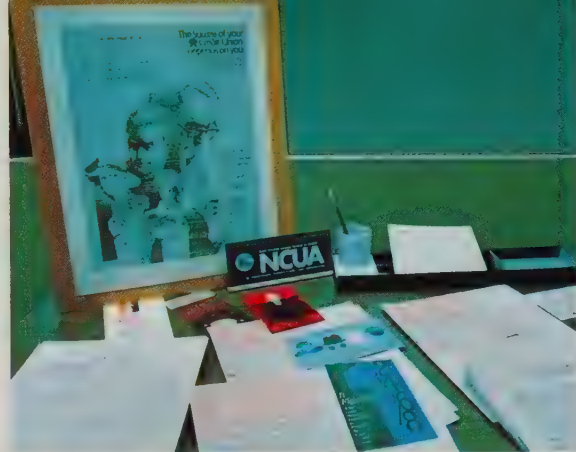
The work of improvement goes on, next year's refinements are already scheduled. At Superscope, the only constant is change...the elemental concern is growth.

"A quarter century ago, the dedicated Saul Marantz unveiled to a fledgling industry his superior concept of how hi-fi components should be manufactured, and, more importantly, how they should perform. Marantz became recognized throughout the audio world as the epitome of a hi-fi system.

"When Superscope assumed responsibility for the continuing development of Marantz' state of the art, we accepted, and fulfilled, that mandate. And when we created the Superscope product line, we infused it with the same design principles, the same manufacturing techniques, the same high-grade parts and the same quality control standards.

"Our growth to date gives dramatic testimony to the confidence which we have in our products, and which the buying public has in us."





"There is one essential asset without which Superscope's resources would be critically diminished...and our successes substantially compromised. That asset is our people—the all-important human factor, which is indispensable to real progress in any area."

At Superscope, this human factor means hiring the right people—and hiring them solely on the basis of ability. Equal opportunity employment is a heart-felt belief of Superscope, which put it into practice long before legislation put it into law.

The human factor also means keeping the right people. The old bromide "a happy employee is a productive employee" is just part of the truth. A happy employee is also a dedicated one. And at Superscope, dedication is repaid with equal dedication to meet the physical and emotional needs of its employees. Included are a wage and salary plan that mandates regular salary and performance reviews, a strong promote-from-within policy and a wide array of benefits.

Superscope's medical and dental insurance coverage is among the most comprehensive in industry, taking effect the first day of employment, and includes dependents.

An on-staff industrial nurse helps keep morale up, medical costs down and production uninterrupted. Of the 300 to 400 employees she sees a month, only six to ten require the further attention of a doctor. Most receive on-the-spot treatment and can return immediately to their jobs.

The nurse's workload is eased by strict adherence to a rigid safety code and a continuous accent on employee safety awareness, efforts that keep the accident rate below average for a corporation of Superscope's size.

The company cafeteria concentrates not only on food, but on maintaining a friendly atmosphere. Included in that friendship is partial company subsidization—a benefit for employees and company alike. What Superscope subsidizes to provide low-cost lunches, it makes up in minimized lunch- and break-time loss.

The combination of quality, economy and efficiency spells cafeteria success. Operated by a food-and-beverage service under contract to Superscope, it regularly serves an average of two thirds of the work force—double that of most company cafeterias.

Superscope's Credit Union began more than a decade ago, and today lists more than half the employees as members. Still, it prides itself on one-to-one service, and taking a personal interest in each member.

Superscope knows that psychic income is as important as spendable income. "A man may live on bread, but he thrives on recognition. We've launched an official Employee Recognition Program to demonstrate our gratitude for employees' dedication and achievement."

Pins, inset with stones of increasing value, are presented to employees who have served Superscope for three, five, ten, fifteen and twenty years. Ten-year veterans also receive watches and commemorative plaques. In 1977 alone, almost 200 employees received pins at the annual recognition dinner hosted by the company's President.

The human factor. In the final analysis, it means more than competitive wages, broad benefits, responsible treatment—even more than productivity and dedication. It also means mutual respect and friendly co-operation. Many employees, when asked what they liked best about working at Superscope, said, "There are many nice people here." And a company, after all, is its people.

"We are extremely fortunate that we have been able to recruit and retain what is essentially the highest caliber of talent at every level of our operations. Department supervisors are outstanding at choosing the right applicant, an asset that helps keep morale high and turnover and training costs low.

"Equally important, these talented people we've hired have a rare loyalty to Superscope, and a dedication to the support of our traditions of excellence. On such a foundation, our future course can only be...onward and upward."





Superscope World is the name of Superscope's in-house company newspaper. It's also a succinct description of Superscope itself, a company with worldwide facilities totalling a million and a quarter square feet, and growing. A company with manufacturing operations in four countries, sales subsidiaries in eight countries and distribution networks in more than 65 countries. A company that built its international sales from 2.6 percent of the corporate total in 1971 to 35.9 percent in 1976. It is, moreover, a company that has yet to scratch the surface of its potential on many international fronts:

THE FAR EAST. In 1976, Superscope merged two Japanese operations into Marantz Sales Company, which distributes Marantz and Superscope products in Japan, Hong Kong, Indonesia and the islands of the South Pacific. Previously Marantz had been distributed by Marantz Far East, Inc., a wholly-owned subsidiary of Superscope; Standard Sales Corp., a subsidiary of Marantz Japan, Inc., had distributed Superscope.

"We've learned that when we market Superscope and Marantz products together, the reputation and sales of Superscope products improve. Marantz Sales Company puts us in a outstanding position to take full advantage of the Japanese market, which is second only to that of the United States."

Under the jurisdiction of its U.S.-based international sales department, Superscope also has successful distribution networks for both Superscope and Marantz lines in Australia, New Zealand, Tahiti and the Fiji Islands.

EUROPE. By 1976, Superscope, Inc. had established subsidiaries in France, West Germany and Britain, with more now being considered, under the jurisdiction of Superscope Europe, S. A., headquartered in Belgium since 1971. Distribution of Marantz and Superscope now extends throughout the continent—even into Eastern Europe—and extensively in Africa and the Middle East.

"The European market is growing extremely fast and will probably take over second place from Japan in a few years. There are 300 million people in the Common Market alone. As the de-

mand for hi-fi grows, Superscope will be ready to meet it—not only with distribution, but with manufacturing as well."

In Belgium Superscope Europe operates a 100,000 square foot warehousing and speaker manufacturing facility, with ample room for expansion.

"We're planning specially designed models for Europe, and for Japan. Separate product for the three most important markets means significantly more international sales potential."

THE WESTERN HEMISPHERE. Operating in Latin America is a challenge. Import restrictions range from extremely high tariffs, to a virtual prohibition on non-domestic competitors. Nevertheless, Superscope, Inc. products are sold in nearly every country of Central and South America, and throughout the West Indies as well.

The most dramatic story lies to the north, however.

In early 1974, Superscope Canada, Ltd. began distribution operations with a staff of four and a single hotel room for a headquarters. Two years later, the staff had grown more than tenfold, with sales representatives in every major city. A 35,000 square foot sales, service and warehousing headquarters was augmented by a second subsidiary office in Vancouver; a third was planned for Montreal.

"The Canadian story, like that of Superscope throughout the world, is told in a continually expanding operation."

"Music, the universal language, makes the entire world a tremendous marketplace for audio entertainment products. Superscope looks forward to the day when over half of our total business will come from areas outside the United States. The heavy contribution of international sales has a benefit beyond added profit. We are already a prime mover of tape recorders all over the world. The eager acceptance of our Superscope and Marantz tape products easily compensates for loss of Sony products, years before the Sony phaseout is complete. More importantly, Superscope's worldwide operations are controlled by Superscope."



**An epilogue from
Joseph S. Tushinsky**

In 1970, Superscope, Inc. introduced the Marantz Model 19 Stereo FM Receiver. It was, at that time, the finest in the world, with a price tag of \$4,000. Today you can spend hundreds less and get a better Marantz receiver—more features, higher power and improved specifications.

This synchronous advance of quality and value is the history, and the promise, of the hi-fi industry in general; of Superscope in particular. Superscope is firmly ensconced in the vanguard of companies that manufacture and distribute audio entertainment products. Moreover, the degree of vertical integration we have achieved—unparalleled by any other distributor in our industry—plus our proven engineering, manufacturing and marketing expertise, puts us in a unique position to continue our leadership role.

The future will see more of what has made Superscope a success today: a strong and growing self-reliance, continued dedication to quality and further expansion into new markets and product categories.

As this publication goes to press, the wheels have already been set in motion for a new line of economy-priced audio equipment, which will be sold through mass merchandisers. We have the manufacturing and shipping capability, and a tremendous low-price mass market awaits us.

We are negotiating with companies who wish to put their brand names on our products. Our private label operation will enable us to reduce overhead and inventory costs in our manufacturing facilities. There's more.

The home entertainment industry stands at the threshold of opportunities undreamed of a few years ago. One, of which I've spoken before, is the home video disc system, heralded as one of the most important technological innovations in history for expanding mankind's abilities and interests. Its tremendous potential makes the manufacturing of video disc hardware an important future step for Superscope. The future may also encompass opportunities for Superscope's entry into the video tape market.

In this publication, much has been said about Superscope's dynamism and dedication to quality. We are a growth company, but our interest in opening new markets is not restricted solely to the pages of a ledger book.

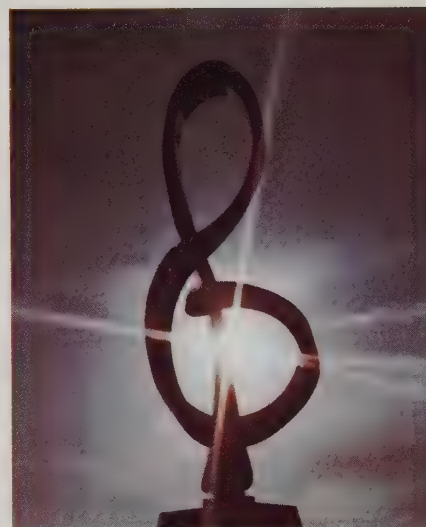
Music has been defined as the highest of the fine arts, the one which, more than any other, ministers to human welfare. We at Superscope were music-lovers before we were manufacturers and distributors. And we see as our strength, not that we have mastered the state of the audio art through technological sophistication, but that we have preserved the dreams of the music-makers; not that we have become accomplished purveyors of products, but that we have been

faithful in our stewardship of the opportunity to extend beauty, knowledge and better human understanding through the world—through music.

The importance of our work was voiced by Edward Bellamy in his 1887 utopian novel Looking Backward. Bellamy puts in the mouth of his protagonist these words: "...if we could have devised an arrangement for providing everybody with music in their homes, perfect in quality, unlimited in quantity, suited to every mood, and beginning and ceasing at will, we should have considered the limit of human felicity already attained..."

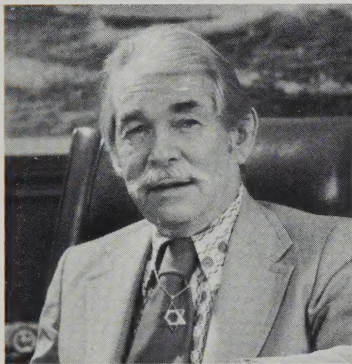
We have already reached Bellamy's limit, and the journey has only begun.

Joseph S. Tushinsky

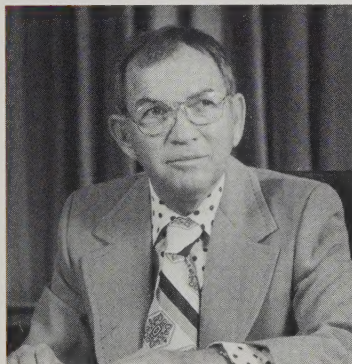




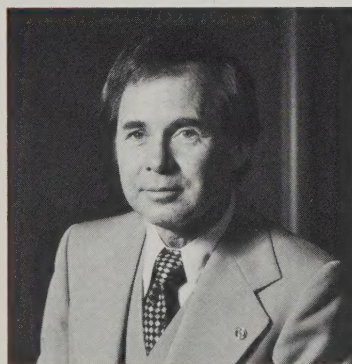
JOSEPH S. TUSHINSKY
Chairman of the Board, President



IRVING P. TUSHINSKY
Director, Executive Vice President
and Secretary



NATHAN TUSHINSKY
Director, Senior Vice President



FRED C. TUSHINSKY
Director, Senior Vice President

SUPERSCOPE, INC. BOARD OF DIRECTORS

JOSEPH S. TUSHINSKY
Chairman of the Board, President

IRVING P. TUSHINSKY
Director, Executive Vice President
and Secretary

NATHAN TUSHINSKY
Director, Senior Vice President

FRED C. TUSHINSKY
Director, Senior Vice President

PAUL A. MARKOFF
Director, Vice President—
Corporate Sales

SEIKAN MATSUMOTO
Director
President and Director,
Marantz Japan, Inc.

BERNARD BRAWERMAN
Director
Vice President,
Superscope Europe, S.A.

LAURENCE M. WEINBERG
Director, Attorney-at-law

CORPORATE OFFICES

SUPERSCOPE, INC.
20525 Nordhoff Street
Chatsworth, California 91311

PRINCIPAL SUBSIDIARIES—DOMESTIC

SUPERSCOPE CHICAGO, INC.
1300 Norwood Avenue
Itasca, Illinois 60143

SUPERSCOPE DETROIT, INC.
591 Executive Drive
Troy, Michigan 48084

SUPERSCOPE NEW ENGLAND, INC.
24 Cummings Park
Woburn, Massachusetts 01801

SUPERSCOPE NEW YORK, INC.
56-08 37th Avenue
Woodside, New York 11377

SUPERSCOPE NORTHWEST, INC.
12842 N.E. 15th Place
Bellevue, Washington 98005

SUPERSCOPE SOUTHWEST, INC.
20525 Nordhoff Street
Chatsworth, California 91311

SUPERSCOPE TEXAS, INC.
3214 Beltline Road
Dallas, Texas 75234

*MARANTZ COMPANY, INC.
20525 Nordhoff Street
Chatsworth, California 91311

*SUPERSCOPE TAPE DUPLICATING
PRODUCTS, INC.
455 Fox Street
San Fernando, California 91340

SUBSIDIARIES—FOREIGN

*SUPERSCOPE TAIWAN, LTD.
P.O. Box 35-48
Nantze Export Processing Zone
Tsouying, Taiwan

SUPERSCOPE CANADA, LTD.
3710 Nashua Drive
Mississauga
Ontario, Canada L4V1M5

210-708 River Road
Richmond, British Columbia
Canada V6X1X5

SUPERSCOPE EUROPE, S.A.
430 Avenue Louise
Boite Postale #4
1050 Brussels, Belgium

*2 Avenue Leopold 111
B-7120 Peronnes-Lez
Binche, Belgium

SUPERSCOPE GMBH
6079 Sprendlingen
Max Planckstrasse 22
West Germany

MARANTZ FAR EAST, INC.
3622 Kamitsuruma
Sagamihara-Shi
Kanagawa, Japan

MARANTZ FRANCE, S.A.
9, Rue Louis Armand
F92600 Asnieres, France

MARANTZ AUDIO U.K., LTD.
London Road 203
Staines Middlesex TW184HR
England

FOREIGN AFFILIATE

*MARANTZ JAPAN, INC.
3622 Kamitsuruma
Sagamihara-Shi
Kanagawa, Japan

SUBSIDIARIES OF MARANTZ JAPAN, INC.

KUMAMOTO MARANTZ CORP.

MIYAKO AUDIO CORP.

STANDARD COMMUNICATIONS CORP.

STANDARD ELECTRONICS CORP.

*Manufacturing Plant

SUPERSCOPE WORLD HEADQUARTERS

Built by Superscope, Inc., through the
contracted assistance of Leon Slavin
Construction Company, and Harold Bahrke
Associates.

Architects, interior and exterior designers:

Latf, Jackson, Daly Associates

Executive Core mural, "Sound Images":

Eileen A. Nelson

Treble clef sculpture:

Robert Edward Hamilton

Sculpture base and signs: Heath & Co.

Designer and art director: Rex Irvine

Writer: George Taylor

Photographers: Don Haith, Fred Tushinsky,

Phil Siegel

Production artist: Verna McAdam

Researcher: Jan Gautschi

Lithographers: Jeffries Banknote Company

Typographers: Andresen Typographics

For Superscope Corporate

Communications: Charles Farrington



SUPERSCOPE, INC., 20525 Nordhoff Street, Chatsworth, California 91311